

NSC BRIEFING

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UN ECONOMIC SURVEY

- I. The United Nations has published its annual World Economic Survey for 1956.
 - A. Text just available in Washington.
 - B. From first scanning, report contains routine treatment of current Bloc economic difficulties and successes.
- II. Report summarizes 1956 development in Soviet Bloc as "continuing rapid economic expansion," but points out that troubles caused by high investment plans for 1956 have led to "reappraisal" of investment policies for 1957.
 - A. We think Bloc planning has been over-optimistic in most countries; soul searching has indeed been going on.
- III. UN says Soviet production was high in '56, but failed to meet some industrial targets, and Soviets have planned modest goals for '57.
 - A. We agree. High output targets for 1960 now appear extremely difficult to reach.
- IV. According to survey, certain East European Satellites had unemployment problems because of raw material shortages, cuts in state bureaucracy, and migration from farms to cities.
 - A. We think this true in most Satellites.
 1. Situation worst in Bulgaria where some 15,000 workers about to be transferred to USSR.
 - B. However, in East Germany and Czechoslovakia there is labor shortage.
 - C. In USSR, labor shortage expected in next few years.